

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:
	:
Debtors. ¹	:
-----x	

**AFFIDAVIT AND DISCLOSURE STATEMENT OF STEVEN A VELKEI,
ON BEHALF OF BAUTE CROCHETIERE HARTLEY & VELKEI LLP**

STATE OF CALIFORNIA)
)
) s.s.:
COUNTY OF LOS ANGELES)

Steven A. Velkei, being duly sworn, upon his oath, deposes and says as follows:

1. I am a partner of Baute Crochetiere Hartley & Velkei LLP, located at 777 S. Figueroa Street, Suite 3800, Los Angeles, California 90017 (the "Firm"). Please note that the firm just moved to Suite 3800 from Suite 4900, requiring that the firm address be updated.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), have requested that the Firm provide legal services to the Debtors, and the Firm has consented to provide such services (the “**Services**”).

3. The Services include, but are not limited to, the following: advise Debtors on compliance issues involving the Office of the City Attorney of Los Angeles (“LA City Attorney”) and the Los Angeles Fire Department, as well as to defend Debtors in and to resolve criminal proceedings brought by the LA City Attorney’s office with respect to certain of those matters, as well as render certain advice with respect to Debtors’ store in Boyle Heights, Los Angeles, Location No. 1008.

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. In the course of performing Services as described in Section 3 above, the Firm was asked to represent at an arraignment hearing involving Debtors the interests of Edward Lampert and Roger Riecker, both of whom were named as defendants in addition to Debtors, but against whom all charges were to be dismissed. In addition, the Firm does not have any relationship with any such person, such person’s attorneys, or such person’s accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

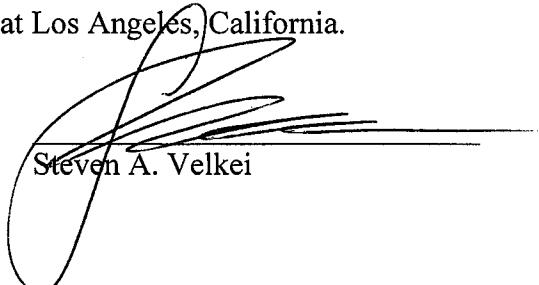
5. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than principals and regular employees of the Firm.

6. Neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

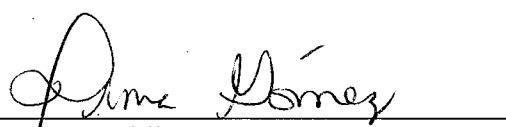
7. As of the commencement of this chapter 11 case, the Debtors owed the Firm \$13,035 in respect of prepetition services rendered to the Debtors.

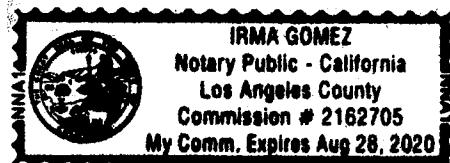
8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of this inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit and Disclosure Statement was executed on December 13, 2018, at Los Angeles, California.


Steven A. Velkei

SWORN TO AND SUBSCRIBED before
Me this 13th day of December, 2018


Notary Public



**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re : **Chapter 11**
SEARS HOLDINGS CORPORATION, et al., : **Case No. 18-23538 (RDD)**
Debtors.¹ : **(Jointly Administered)**

RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”).

All questions **must** be answered. Please use "none," "not applicable," or "N/A," as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional:

Steven A. Velkei, Esq.
Baute Crochetiere Hartley & Velkei LLP
777 S. Figueroa Street, Suite 3800
Los Angeles, California 90017

Please note that the firm just moved to Suite 3800 from Suite 4900, requiring that the firm address be updated.

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2. Date of retention: Retention agreement, dated September 7, 2018, with respect to Debtors' store in Boyle Heights, Los Angeles, Location No. 1008, and Retention agreement, dated October 24, 2018, in connection with compliance issues and pending criminal proceedings involving Los Angeles City Attorney's Office and the Los Angeles Fire Department.

3. Type of services to be provided:

Legal Services

4. Brief description of services to be provided:

The Services include, but are not limited to, advise Debtors on compliance issues involving the Office of the City Attorney of Los Angeles ("LA City Attorney") and the Los Angeles Fire Department, as well as to defend Debtors in and resolve criminal proceedings brought by the LA City Attorney's office with respect to certain of those matters, as well as render certain advice with respect to Debtors' store in Boyle Heights, Los Angeles, Location No. 1008.

5. Arrangements for compensation (hourly, contingent, etc.):

Hourly rates as follows:

Steven A. Velkei, Esq \$600.00 per hour

Artyom Baghdishyan, Esq \$275.00 per hour

Ranjna Gill, Paralegal \$185.00 per hour

(a) Average hourly rate (if applicable): N/A

(b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition): the Firm had only been retained through one full billing cycle when the Petition was filed.

6. Prepetition claims against the Debtors held by the company:

Amount of claim: \$13,035

Date claim arose: September, October 2018

Nature of claim: Legal services.

7. Prepetition claims against the Debtors held individually by any member, associate, or employee of the company:

Name: N/A

Status: N/A

Amount of claim: N/A

Date claim arose: N/A

Nature of claim: N/A

8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the professional is to be employed: N/A

9. Name and title of individual completing this form:

Steven A. Velkei, Partner

Dated: December 13, 2018